

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)
	) Chapter 11
	)
FRANCHISE GROUP, INC., <i>et al.</i> , <sup>1</sup>	) Case No. 24-12480 (LSS)
	)
Debtors.	) (Jointly Administered)
	)
	) Re: Docket No. 355
	)
	) <b><u>Objection Deadline:</u></b>
	) <b><u>May 28, 2025 at 4:00 p.m. (ET)</u></b>
	)

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**SUMMARY OF THE FIRST COMBINED MONTHLY  
FEE STATEMENT OF DUCERA PARTNERS LLC FOR  
PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD FROM NOVEMBER 3, 2024 THROUGH MARCH 31, 2025**

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Name of Applicant:	<u>Ducera Partners LLC</u>
Authorized to Provide Professional Services to:	<u>Debtors and Debtors in Possession</u>
Date of Retention:	<u>January 21, 2025, effective as of November 3, 2024</u> <u>[Docket No. 802]</u>

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Period for Which Reimbursement Is Sought: November 3, 2024 through March 31, 2025

Amount of Compensation Sought as Actual, Reasonable, and Necessary: \$700,000.00 (80% of \$875,000.00)

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary: \$500,483.00

This is a(n): X monthly        interim        final application

**Prior applications:** N/A

		<b>Requested</b>		<b>Approved</b>	
<b>Date Filed / Docket No.</b>	<b>Period Covered</b>	<b>Fees</b>	<b>Expenses</b>	<b>Fees</b>	<b>Expenses</b>
-	-	-	-	-	-

**FIRST MONTHLY FEE STATEMENT OF  
DUCERA PARTNERS LLC**

**SUMMARY OF TIME RECORDS BY PROFESSIONAL  
NOVEMBER 3, 2024 THROUGH MARCH 31, 2025**

Name	Position	Total Hours
Michael Kramer	Partner	82.0
Chris Grubb	Partner	714.5
Kishan Patel	Director/Managing Director	476.5
Jon Cremeans	Director	390.0
Andrew Killinger	Associate	954.0
Nick Clark	Associate	283.5
Nick Bassi	Associate	230.5
Zach Taylor	Analyst	1216.5
Mike Malyshev	Analyst	1471.0
Dhruv Rungta	Analyst	1247.0
<b>Total Hours</b>		<b>7065.5</b>

**SUMMARY OF TIME RECORDS BY CATEGORY  
NOVEMBER 3, 2024 THROUGH MARCH 31, 2025**

Name	Total Hours
Financial Analysis and Review of Strategic Alternatives	2925.5
Business Review and Due Diligence	511.0
Agreements, Documents, and Legal Review	404.0
Debtor Communications	525.0
Creditor/Stakeholder Communications	403.5
Financing Services	133.0
Case Administration and Strategic Planning	702.5
Court Hearing, Case Preparation and Other	159.5
M&A Services	1301.5
<b>Total Hours</b>	<b>7065.5</b>

**SUMMARY OF EXPENSES BY CATEGORY  
NOVEMBER 3, 2024 THROUGH MARCH 31, 2025**

Category	Total Expenses
Legal & Consulting	\$424,927.66
Airfare	\$30,395.88
Meals	\$19,580.51
Hotels	\$14,762.27
Ground Transportation	\$10,816.68
<b>Total</b>	<b>\$500,483.00</b>

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FRANCHISE GROUP, INC., <i>et al.</i> <sup>1</sup>	)	) Case No. 24-12480 (LSS)
	)	)
Debtors.	)	) (Jointly Administered)
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	)	) Re: Docket No. 355
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STATEMENT OF DUCERA PARTNERS LLC FOR  
PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES  
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Ducera Partners LLC (“Ducera”), the investment banker for the above-captioned debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases, hereby files its first monthly fee statement (this “Fee Statement”) requesting (i) approval of

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

\$1,375,483.00 in aggregate fees (\$875,000.00) and expenses (\$500,483.00) incurred during the fee period and (ii) payment in the aggregate amount of \$1,200,483.00, consisting of 80% of the Monthly Advisory Fee<sup>2</sup> (\$700,000.00) for the fee period and 100% of the \$500,483.00 of actual and necessary expenses incurred by Ducera during the fee period in connection with such services.

In support of this Fee Statement, Ducera respectfully represents as follows:

### **Jurisdiction**

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue for this matter is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtors consent pursuant to Rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Fee Statement to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. The legal predicates for the relief sought herein are sections 105(a), 327(a), 328(a), and 1107(b) of chapter 11 of title 11 of the United States Code (as amended, the “Bankruptcy Code”), Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure, and Local Rules 2014-1 and 2016-1.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Debtors’ Application for Entry of an Order (I) Authorizing the Retention and Employment of Ducera Partners LLC as Investment Banker to the Debtors Effective as of the Petition Date, and (II) Granting Related Relief*[Docket No. 258].

### **Background**

4. On November 3, 2024 (the “Petition Date”), the Debtors commenced voluntary cases (collectively, the “Chapter 11 Cases”) in this Court under the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. The facts and circumstances supporting this Fee Statement are set forth in the *Declaration of David Orlofsky in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 15], which is incorporated by reference herein.

6. On January 21, 2025, this Court entered that *Order (I) Authorizing the Retention and Employment of Ducera Partners LLC as Investment Banker to the Debtors Effective as of Petition Date, and (II) Granting Related Relief* [Docket No. 802] (the “Retention Order”).

### **Relief Requested**

7. By this Fee Statement, Ducera requests (i) approval of \$1,375,483.00 in aggregate fees and expenses incurred during the fee period and (ii) payment in the aggregate amount of \$1,200,483.00, consisting of 80% of the Monthly Advisory Fee for the fee period and 100% of the \$500,483.00 of actual and necessary expenses incurred by Ducera during the fee period in connection with such services.

8. All services for which compensation is requested by Ducera were performed during the fee period on behalf of the Debtors. Although Ducera, in line with market convention, does not bill by the hour, Ducera kept track of its postpetition time in half-hour increments in accordance with the Retention Order. During the fee period, Ducera professionals spent approximately 7,065.5 total hours providing investment banking services to the Debtors. Time records are attached hereto as **Exhibit A**.

9. The fees charged by Ducera have been billed in accordance with the Engagement Letter and the Retention Order and are comparable to those fees charged by Ducera for professional services rendered in connection with similar chapter 11 cases and non-bankruptcy matters. Ducera submits that such fees are reasonable based upon the customary compensation charged by similarly skilled practitioners in comparable bankruptcy cases and non-bankruptcy matters in the competitive national financial advisory and investment banking market.

10. There is no agreement or understanding between Ducera and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these Chapter 11 Cases.

**Actual and Necessary Disbursements**

11. Ducera also incurred certain necessary expenses during the fee period for which it is entitled to reimbursement under the Engagement Letter and the Retention Order. As set forth in detail in the summary attached hereto as **Exhibit B**, Ducera's total expenses incurred during the fee period are \$500,596.30.

12. Ducera believes that the time entries included in **Exhibit A** attached hereto and the expense breakdown set forth in **Exhibit B** attached hereto are in compliance with the requirements of Local Rule 2016-1, as modified by the Retention Order.

13. WHEREFORE, Ducera requests (i) approval of \$1,375,483.00 in aggregate fees and expenses incurred during the fee period and (ii) payment in the aggregate amount of \$1,200,483.00, consisting of 80% of the Monthly Advisory Fee for the fee period and 100% of the \$500,483.00 of actual and necessary expenses incurred by Ducera during the fee period in connection with such services.

Dated: May 7, 2025

Respectfully Submitted,

**Ducera Partners LLC**

/s/ Christopher Grubb

Christopher Grubb  
Partner

**VERIFICATION**

I, Christopher Grubb pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, hereby verify that:

1. I am a Partner with Ducera Partners LLC (“Ducera”), and I am duly authorized to make this certification on behalf of Ducera. Ducera was retained by Franchise Group, Inc. and its affiliated debtors (collectively, the “Debtors”) as investment banker. This certification is made in support of the *First Combined Monthly Fee Statement of Ducera Partners LLC for Payment of Compensation and Reimbursement of Expenses for the Period from November 1, 2024 Through March 31, 2025* (the “Fee Statement”) and in compliance with rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

2. I have read the Fee Statement, and I certify that the Fee Statement substantially complies with the Local Rules.

3. The facts set forth in the foregoing Fee Statement are true and correct to the best of my knowledge, information, and belief.

Dated: May 7, 2025  
New York, New York

**Ducera Partners LLC**

/s/ Christopher Grubb

Christopher Grubb  
Partner